မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၄၀/၂၀၁၀

၂၀၁၀ ခုနှစ်၊ မေလ ၂၈ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၁) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် ညွှန်ကြားရေးမှူးချုပ်၊ ရေအားလျှပ်စစ်စီမံရေးဦးစီးဌာန

(ခ) မည်သည့် နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၃၈)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ ရေအားလျှပ်စစ်စီမံရေးဦးစီးဌာန၊ ရုံးအမှတ်(၃၈)၊ နေပြည်တော်

(င) ဖွဲ့စည်းရာအရပ် နေပြည်တော်

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ရေအားလျှပ်စစ် ဓါတ်အားပေးစက်ရုံ တည်ဆောက်၍ လျှပ်စစ်ဓါတ်အားထုတ်လုပ်ဖြန့်ဖြူးရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ကချင်ပြည်နယ်၊ မိုးမောက်မြို့နယ်၊ တာရုတ်နယ်စပ် မှ ၅ ကီလိုမီတာအကွာ တာပိန်မြစ်ပေါ်တွင် တည်ဆောက်ခြင်း

(ဇ) နိုင်ငံခြားငွေ ရင်းနှီးမြှုပ်နှံမှု အမေရိကန်ဒေါ်လာ ၂၄၀ သန်း

(ဈ) နိုင်ငံခြားမှတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၃ နှစ်(ပြုပြင်ခွင့်ပြုကာလမပါဝင်)

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂၄၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် DAPEIN(1) HYDROPOWER COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

Union of Myanmar Investment Commission
Form (2)
Sr No 2696
Dated 28.5.2010

The Myanmar Investment Commission

PERMIT

Permit No. 440/2010

Date 28th MAY, 2010

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter DIRECTOR GENERAL, DEPARTMENT OF HYDROPOWER PLANNING

(b) Citizenship MYANMAR

(c) Address BUILDING NO.(38), NAY PYI TAW, MYANMAR

(d) Name and Address of principal organization DEPARTMENT OF HYDROPOWER PLANNING, BUILDING NO.(38), NAY PYI TAW.

(e) Place of incorporation NAY PYI TAW

(f) Type of business in which investment is to be made HYDROPOWER ELECTRICITY GENERATION

(g) Place(s) at which investment is permitted ON THE MAIN STREAM OF DAPEIN RIVER [illegible] AWAY FROM CHINA BOUNDARY, MOEMAUK TOWNSHIP, IN KACHIN STATE, MYANMAR.

(h) Amount of foreign capital US$ 240 MILLION

(i) Period for bringing in foreign capital 3 (THREE) YEARS (EXCLUDING MAINTENANCE PERIOD)

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 240 MILLION

(k) Permitted duration of investment 35 YEARS

(l) Name of the economic organization to be formed in Myanmar DAPEIN(1) HYDROPOWER COMPANY LIMITED.

Chairman

The Myanmar Investment Commission

Confidential

THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na - 619 /2010 (7696)
Dated : 28th May 2010.

Tel: 067-406334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Hydropower Electricity Generation" under the name of "Dapein(1) Hydropower Company Limited."**

Reference: Ministry of Electric Power No.(1) Letter No.94/Electric-1(2)/5667/2010 dated(16.2.2010).

1. The Myanmar Investment Commission, at its meeting (11/2010) held on (26-3-2010) and the Preliminary Trade Council Meeting held on (28-4-2010) , had reviewed the proposal under the name of "Dapein(1)Hydropower Company Limited" for investment in "Hydropower Electricity Generation" submitted as a Joint Venture between Department of Hydropower Planning under the Ministry of Electric Power No.(1) and Datang(Yunnan) United Hydropower Developing Co., Ltd. of the People's Republic of China on the main stream of Dapein River, 5 km away from China boundary, Moemauk Township in Kachin State. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (19/2010) held on (20-5-2010), resolved to permit the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 35(Thirty Five) years commencing from the date of the commercial operation of the first of the four hydropower generating units with the installed capacity of 60 MW and extendable for another 5(Five)years term upon mutual agreement between Department of Hydropower Planning and Datang (Yunnan) United Hydropower Developing Company Limited. At the end of the duration period, Dapein(1) Hydropower Company Limited shall transfer the Project facilities to the Department of Hydropower Planning as free of charge.

4. In consideration for the grant and issuance of the Concession Rights to the JV Company, the Parties shall provide as follows:

(a) 8% (Eight) percent of the annual total production of electricity(kWh), to Department of Hydropower Planning as free power for 25 (Twenty Five) years; and 10% (Ten) percent of annual total production of electricity(kWh), shall be supplied as free power for the remaining concession period, as royalty payment and commence delivery of such provision of 8% (Eight) percent quota for 25(Twenty Five) years and 10%(Ten) percent quota for the remaining concession period of electricity to Department of Hydropower Planning at the Station Site upon the Commercial Operation of the first hydro-powered generating unit of the Project in accordance with the Power Purchase Agreements.

(b) assistance to Department of Hydropower Planning in negotiating the Power Purchase Agreements with potential Chinese power purchasers for the sale of electricity in excess of the requirement for local consumption out of 8%(Eight) percent quota for 25(Twenty Five)years and 10%(Ten) percent quota for the remaining concession period of electricity, and

(c) to Department of Hydropower Planning, free of charge, royalty payment,shares equal to 15%(Fifteen)percent of the total Authorised Share Capital of the JV Company.This 15(Fifteen)percent of the total Authorized Share Capital of the JV Company shall not to be increased.

5. In issuing this "Permit," the Commission has granted ,amongst the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project.

(a) As per section-21(a), exemption from income tax up to 36(Thirty Six) months starting from the month of commencement of commercial operation of the first of the four hydropower generating units.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(d) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per section-21(g), right to deduct from the assessable income such) expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(g) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law,1991.

(h) As per section-21(i),exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Electric Power No.(1).

6. In addition, as resolved by the Cabinet at its meeting (46/2009) held on (17-12-2009), the Commission has granted the following tax exemption and relief for the Dapein(1)Hydropower Company Limited as favourable privileges:

(a) relief from income tax up to 50 percent on the profits accrued from the said export should be granted for 22 (Twenty Two)years after 3(three) years exemption on income tax by the Myanmar Investment Commission. After enjoying 25 (Twenty Five) years of income tax exemption and relief period, subsequent income tax shall be levied up to the end of remaining concession period,

(b) the commercial tax shall be exempted 3(Three)years consecutively. After the said exemption period, commercial tax shall be payable at the rate of 8%(Eight)percent on export proceeds or services and local sale in foreign currency.

7. Dapein(1) Hydropower Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incoporation, Memorandum and Articles of Association and Joint Venture Agreement shall have to be forwarded to the Commission.

8. Dapein(1) Hydropower Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. The official date of operation shall be reported to the Commission.

10. Dapein(1) Hydropower Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Dapein(1)Hydropower Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of

Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section – 2 (h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

13. Whenever Dapein(1) Hydropower Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity,quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

15. Dapein(1) Hydropower Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

16. Dapein(1) Hydropower Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence,it shall observe the directive issued by the Commission vide letter No.Ya Ka-1/139/94(0440) dated 30-6-94[Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

17. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Dapein(1) Hydropower Company Limited.

18. Dapein(1) Hydropower Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Maung Maung Thein)
Chairman

Director General
Department of Hydropower Planning

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Electric Power No.(1)
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No.(2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)